



Legislative Study Committee
November 19, 2013

Debi Durham
Director
Iowa Economic Development Authority

FY14 Allocations for funding from HF604

- **Legislature Appropriated \$16.9 million in HF604 and directed that \$1 million be allocated to MainStreet in HF620**
 - **Projects – \$8.275 million**
 - **Admin – \$1.5 million**
 - **Laborsheds – \$275,000**
 - **IT/TA – \$650,000**
 - **Site Certification – \$400,000**
 - **Regional Marketing – \$200,000**
 - **Iowa Innovation Corp. Programming – \$5.0 million**
 - **Internship Program – \$400,000**
 - **Demonstration Fund – \$2.0 million**
 - **Iowa Acceleration Fund (state) – \$1.35 million**
 - **Iowa Innovation Corporation Support – \$1.25 million**
 - **Main Street Challenge Grants – \$1 million**



The Structure

Battelle Study

- **IPEP and Stakeholder Task Force leading effort to undertake a new Battelle study**
- **Objectives**
 - Assess current position and trends in Iowa's existing and emerging industry clusters
 - Identify new markets for growth
 - Assess the progress of past efforts
 - Develop workforce attraction/retention strategies
 - Assess existing infrastructure and other assets for economic growth
 - Develop a forward-looking roadmap for economic development efforts
- **Timeline**
 - Kick-off – Sept. 2013
 - Research and Interviews – Winter/Spring 2013-2014
 - Roadmap Development – Summer 2014
 - Final Plan Presented – Fall/Winter 2014

Targeted Industries

- Iowa has worked with the Battelle Memorial Institute to assess our strengths, identify gaps and build a plan to grow Iowa's economy.
- Three main industry sectors have been identified as areas of focus:



Iowa Economic Development Authority

- **New Wealth = Focused incentives:**
 - Businesses competing in national or international markets
 - R&D sector
 - New Economy
- **Permanent jobs = Tax incentives with “strings”:**
 - Performance-based
 - Tied to capital investment and job creation
- **Return On Investment = Fiscal Impact Ratio (FIR) & REMI Model**

Dave Bernstein, State Steel

High Quality Jobs Program

- **Program provides direct financial assistance and tax incentives for qualifying businesses**
- **Tax incentives include:**
 - Investment tax credit against income tax liability
 - Refund of state sales, service or use taxes for construction materials
 - Supplemental state research activities credit
 - Optional local property tax exemption of value added to the property
- **Incentive amounts tied to job creation and wages**
- **Key Requirements**
 - Company must meet qualifying wage thresholds
 - Story County: = Starting wage of at least \$16.34/hr – progressing to \$19.12 /hr over the project performance period, typically 3 years
 - Business must provide sufficient benefits package
 - Non-retail or non-service business

Innovation Corporation Board

- **Accelerate the generation and development of innovative ideas and research into investable ventures**
 - SBIR/STTR Support
 - Industry/University Applied Research Investments
- **Foster the development of the innovation ecosystem**
 - Innovation Extension Partnership
- **Develop, link and coordinate capital providers to invest in innovation-based Iowa ventures**
 - Seed Fund manager finalist identified, announcement coming soon

Bob Riley, Feed Energy, (Chair)

Mark Kittrell, (New CEO)

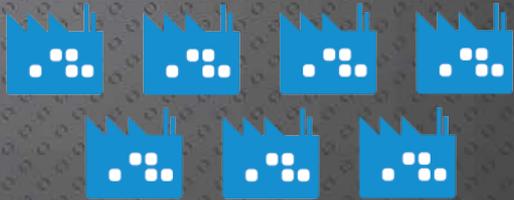


**IOWA INNOVATION
CORPORATION**



Marketing Strategy

Synchronist Program



7,073

COMPANIES HAVE BEEN INTERVIEWED SINCE 2007.



673

FIRMS INDICATE
EXPANSION PLANS

311

FIRMS INDICATE THEY HAVE
NO ROOM TO EXPAND
OR THE INFORMATION WAS NOT DETAILED



REPRESENTING 
\$9.3 BILLION
OF ECONOMIC IMPACT

7,000 JOBS
FOR IOWA COMMUNITIES



384

ARE EXPERIENCING
RECRUITMENT
PROBLEMS



WORKFORCE AVAILABILITY
IS THE
1 REASON
NOT TO EXPAND

Rethink Iowa: Creating a Culture Shift

- **Rebrand the state**
 - Promote Iowa throughout the world
 - Leverage great Iowa events and institutions (RAGBRAI, The World Food Prize, NCAA Wrestling Championships)
 - Grow the Innovation/entrepreneurship ecosystem
- **Differentiate our Workforce**
 - Create work-ready certification (NCRC) standards
 - Skilled Iowa
- **Grow our population**
 - Building communities where people want to live
 - Immigration Reform

*Entrepreneurs are rare doers—and because of this, they are **the most valuable people in the world**, at least as far as the pursuit of economic development, GDP growth, and almighty job creation are concerned.*

*Jim Clifton, *The Coming Jobs War**

Industry/Site Selector Marketing

NCAA Wrestling & RAGBRAI



move here...

As you bike across Iowa this week, take your time. lowans, meander through charming downtowns with our business owners. RAGBRAI® is one of the most unique ways to experience Iowa. Iowa's people or even the hills you never knew existed may become more active or inspire you to move your business operations here. RAGBRAI across Iowa will change you, and you may even move you.

IOWA
economic development

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NCAA Division 1 Wrestling Championships

The Iowa Economic Development Authority (IEDA) invites you to attend the NCAA Division 1 Wrestling Championships to be held March 21-23 at Wells Fargo Arena in Des Moines, Iowa.



"I want to thank you SO much for the whole IOWA team that made RAGBRAI a wonderful experience for me. I DO hope to bring some projects to Iowa soon; for all the right reasons."

to Kathy.Anderson@iowa.gov or 515.725.3149

Direct Marketing to Prospects



- Sent to 2,500 targeted prospects
- Sending Forbes to targets in 2014
- Building direct marketing process

Trade Show Marketing



Reaching National Media

■ July 2013

- Coverage of Hagie Manufacturing in *IndustryWeek*, July 31
- Coverage of Iowa in *CIO/Network World*, July 24

■ August 2013

- Coverage of Hagie Manufacturing in *The Wall Street Journal*, August 26
- Coverage of Accumold in *The Wall Street Journal*, August 1 (cover)

■ September 2013

- Coverage of Accumold in *MarketWatch*, September 6

■ October 2013

- Coverage of ClusterFlunk in *Startup Beat*, October 30
- Coverage of Accumold in Associated Press story, October 22 (picked up in over 100 outlets)

■ November 2013

- Coverage of Vermeer in *Industry Week*, November 8
- Kemin featured in *LA Times*, November 8

Building Iowa's Brand

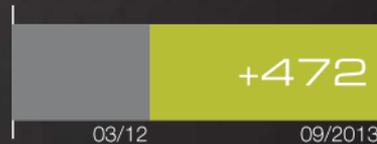
- **Deploying social media**

- Blogs
- LinkedIn
- Pinterest Boards



LIKES

iowaeconomicdevelopment



traveliowa

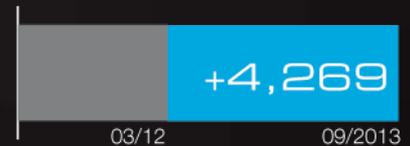


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businessiowa



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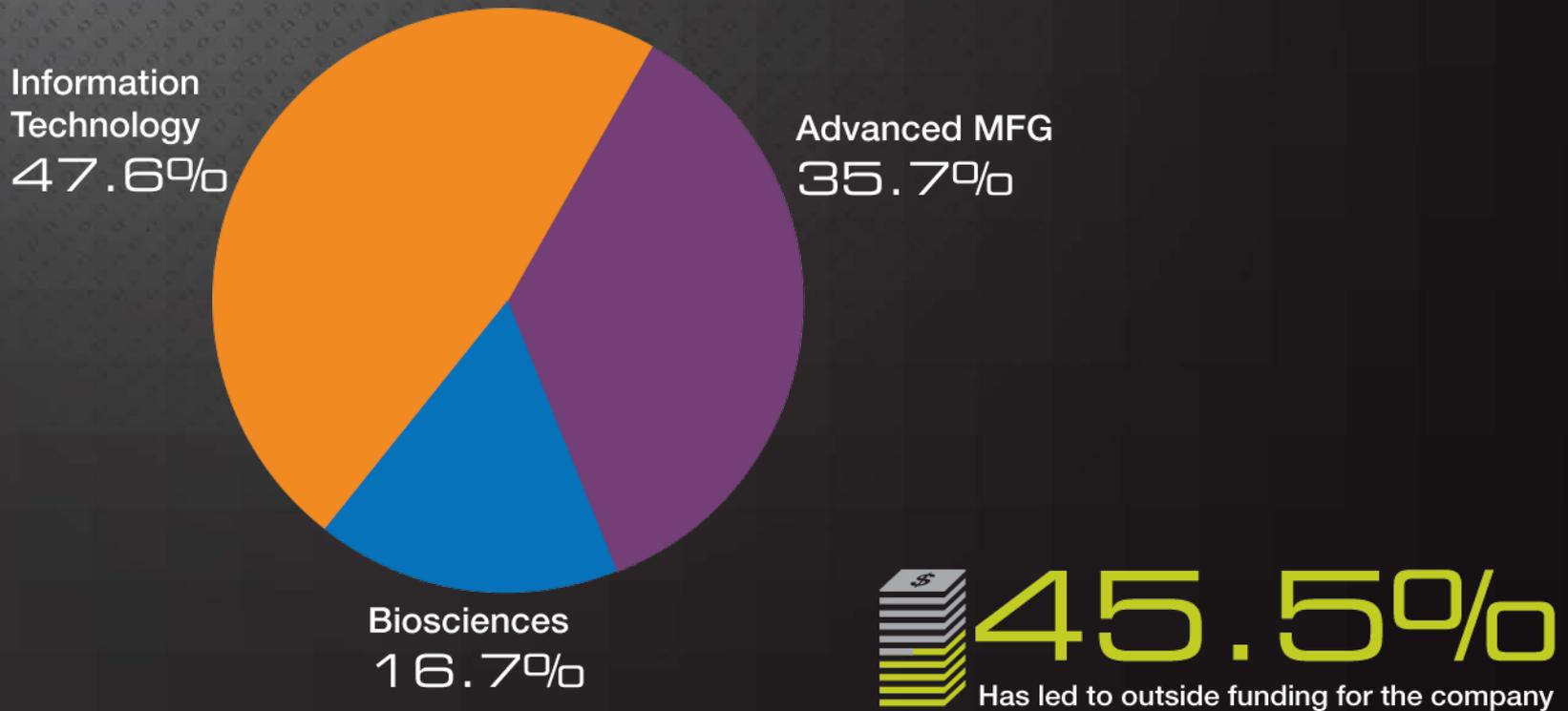
Innovation Ecosystem

Innovation Support Programs

- **Demonstration Fund**
 - Assists companies in pre-seed growth stages
 - Maximum Award: \$150,000
- **Iowa Innovation Acceleration -- PROPEL**
 - Assists companies in seed and development growth stages
 - Maximum Award: \$500,000
- **Iowa Innovation Acceleration -- LAUNCH**
 - Assists companies in the concept stage
 - Maximum Award: \$100,000
- **Iowa Innovation Acceleration -- EXPAND**
 - Assists companies in the growth stage
 - Maximum Award: \$2,000,000

Investing in Innovation

Demonstration Fund – *Helping entrepreneurs commercialize great ideas and innovative technologies*



Iowa Innovation Acceleration Program awards from May 2012 through January 2013
Demonstration Fund and I 6 awards from July 2011 through January 2013
Follow-on funding is for Demonstration Fund only, from July 2007 through June 2011

Innovation Support Programs

■ SBIR/STTR Outreach

- Assists companies in concept growth stages
- Program provides proposal evaluation, grant writing and coaching

■ Proof of Commercial Relevance Program

- Assists companies in pre-seed and seed growth stages
- Maximum Award: \$100,000

■ Iowa Innovation Fund

- Assists companies in the development and growth stages
- Currently working to secure fund manager

■ Innovation Extension Program

- Assists companies in the pre-seed and seed growth stages
- Maximum Award: \$100,000

■ Industry Applied Research Program

- Assists companies in the concept, pre-seed and seed growth stages
- Maximum Award: \$150,000



IOWA INNOVATION
CORPORATION

Manufacturing Resources

- **Creating a Center of Excellence at Cedar Valley Tech Works**
- **UNI/Metal Casting Center has worked in metal casting industry for more than 20 years providing steady stream of new technology along with solutions to industrial problems**
 - Will program and operate the largest 3-D printer in US (next in line – Ford Motor Company)
 - Have utilized and advanced technologies developed in manufacturing laboratories and universities throughout the mid-west
 - Support manufacturers needs throughout the country and around the world for prototype and repair parts
 - Program projected to be self-sustaining within 5 years of full operation, as will the IAMC
 - Utilization will go beyond the needs of just the casting industry





International Presence



95%

OF THE WORLD'S CONSUMERS ARE
OUTSIDE
THE UNITED STATES

International Programs

- **Marketing Assistance, Training and Consultation**
 - Provide market research specific to your company
 - Assist with itinerary building for global visits
 - Coordinate educational and training seminars
- **ETAP**
 - Assists Iowa companies in marketing products to a global marketplace
 - Reimbursement for trade show expenses

- **In-bound Delegations**
 - Hosting international buyers groups and commercial visitors
 - Facilitate connections with Iowa companies and industry groups
- **Trade Missions and FDI**
 - Host Governor and Director-led trade missions and FDI business development trips
 - Just returned from Japan and India

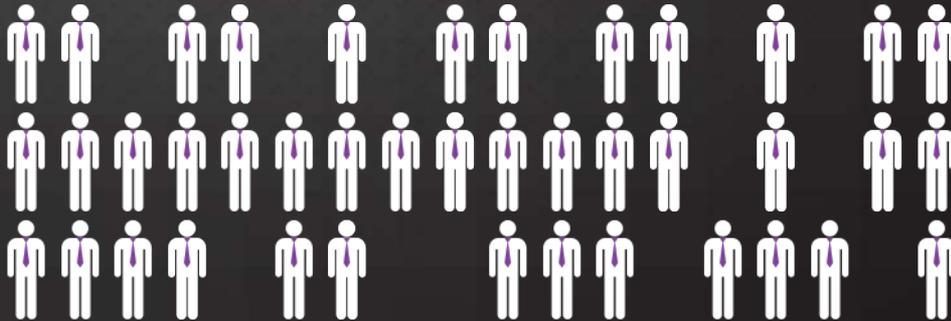
I would think Smaller Firms may have the most to gain from a Trade Mission like this...One-on-One meetings that IDEA has arranged for our company were very productive and educational. I would have not been able to arrange or coordinate multi city trips or meetings like this trade mission offered by IDEA.

- Paul Yu, Kness

FDI Results

Total Capital Investment:

\$1,975,404,541



931
INCENTED JOBS



Small Business

■ IASourceLink.com

- A statewide resource and economic development tool for entrepreneurs and small businesses across Iowa and for those considering Iowa for a business location
- Partnership between IEDA and University of Northern Iowa's MyEntre.Net

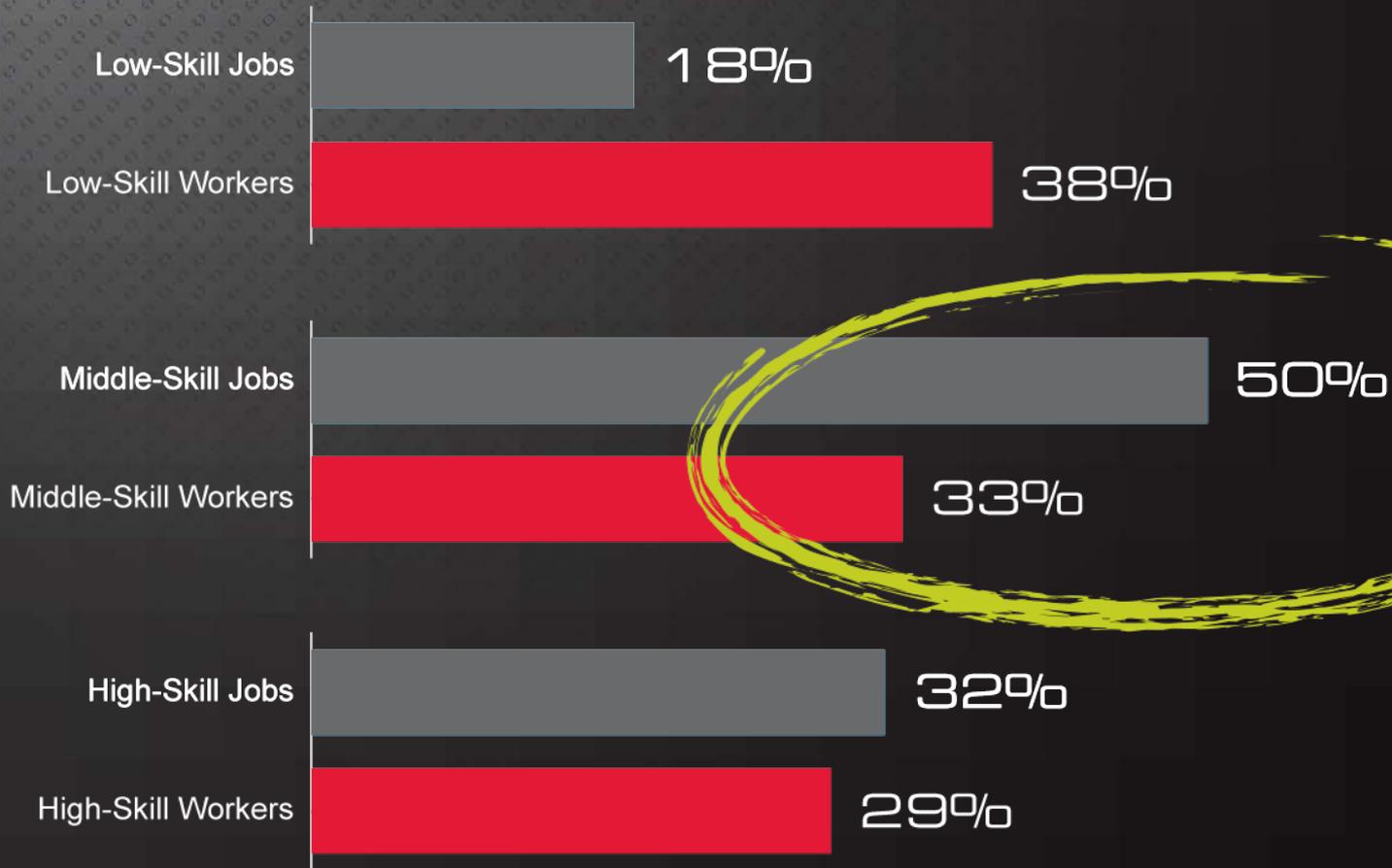
■ What is it?

- Resource Navigator – connects entrepreneurs and small businesses with resource providers across Iowa
- Statewide Events Calendar – comprehensive listing of networking, educational and training opportunities taking place across Iowa
- Business Concierge – personalized assistance with marketing demographics, trends and resources
- Business Licensing – customized help with identifying necessary business registrations and licenses
- Information Source – webinars, e-newsletter, blogs and resources offered on timely topics



Workforce

Workforce Challenges



Education & Workforce Training Initiatives

- Certification & credentialing of workforce
- Expand Apprenticeship Programs
- Support STEM initiatives
- Immigration reform
- Home Base Iowa Military Recruitment Effort





Development-Ready Communities

Certified Site Program

- **Partnering with McCallum Sweeney, highly regarded in the field**
- **Expecting first-round Mega Site certifications by year-end**
 - Dexter, Ft. Dodge, Van Meter, Clinton, Iowa Falls, Sioux City, Wever, Middletown, Adel and Cedar Rapids all working toward certification
- **Recently launched General Industrial Site Program**
 - Single site: 50 – 249 contiguous acres
 - Industrial Park: 100+ acres with one site \geq 50 acres
 - Limit one site per county in each application round
 - New application round will open in January 2014

EVERY DOLLAR INVESTED TO
MAIN STREET IOWA PROGRAM
HAS GENERATED

\$73 

SPENT ON PRIVATE SECTOR
ACQUISITION AND REHABILITATION

Main Street Iowa

- Net business gain in MSI districts occurred in all 26 years of the state Main Street program
- 3,800 business starts, expansions and re-locations
- Sales tax collections from net new businesses in MSI districts is 48 times the state approp to fund program
- Kicked off new MSI application process
 - 22 communities eligible to apply
- \$1 million Challenge Grant funding currently available to existing MSI communities

MSI Challenge Grants – FY14

- **Challenge Grants - \$950,000**
 - Bricks and mortar projects
 - Grant amounts ranging from \$15,000-\$75,000
 - Applications due Nov. 1, 2013
 - Received 27 apps, requesting \$1.8 million
 - Awards scheduled to be made in Jan. 2014
- **Business Innovation Challenge Grants - \$100,000**
 - Innovative, creative projects supporting local business retention, expansion and recruitment efforts
 - Grant amounts ranging from \$5,000-\$20,000
 - Applications due Feb. 14, 2014
 - Expect to fund five to 10 projects
 - Awards scheduled to be made in April 2014

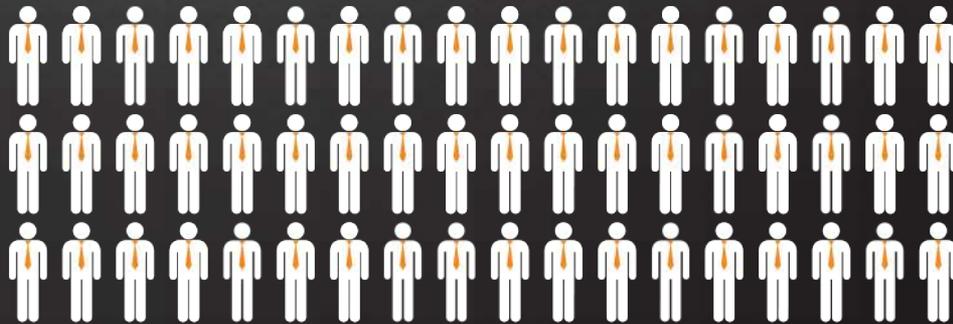


Results

Results

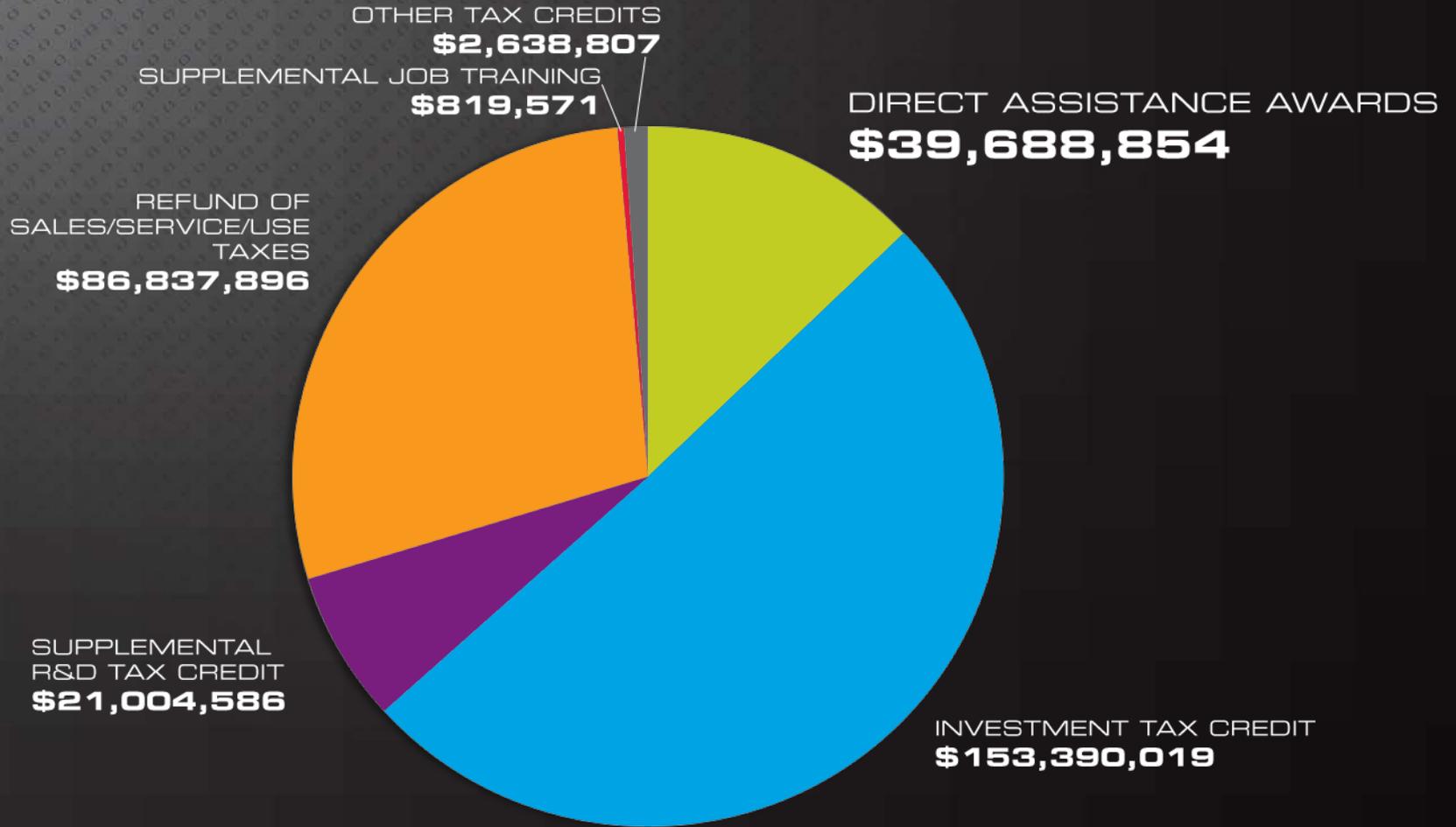
Total Capital Investment:

\$7,395,767,379



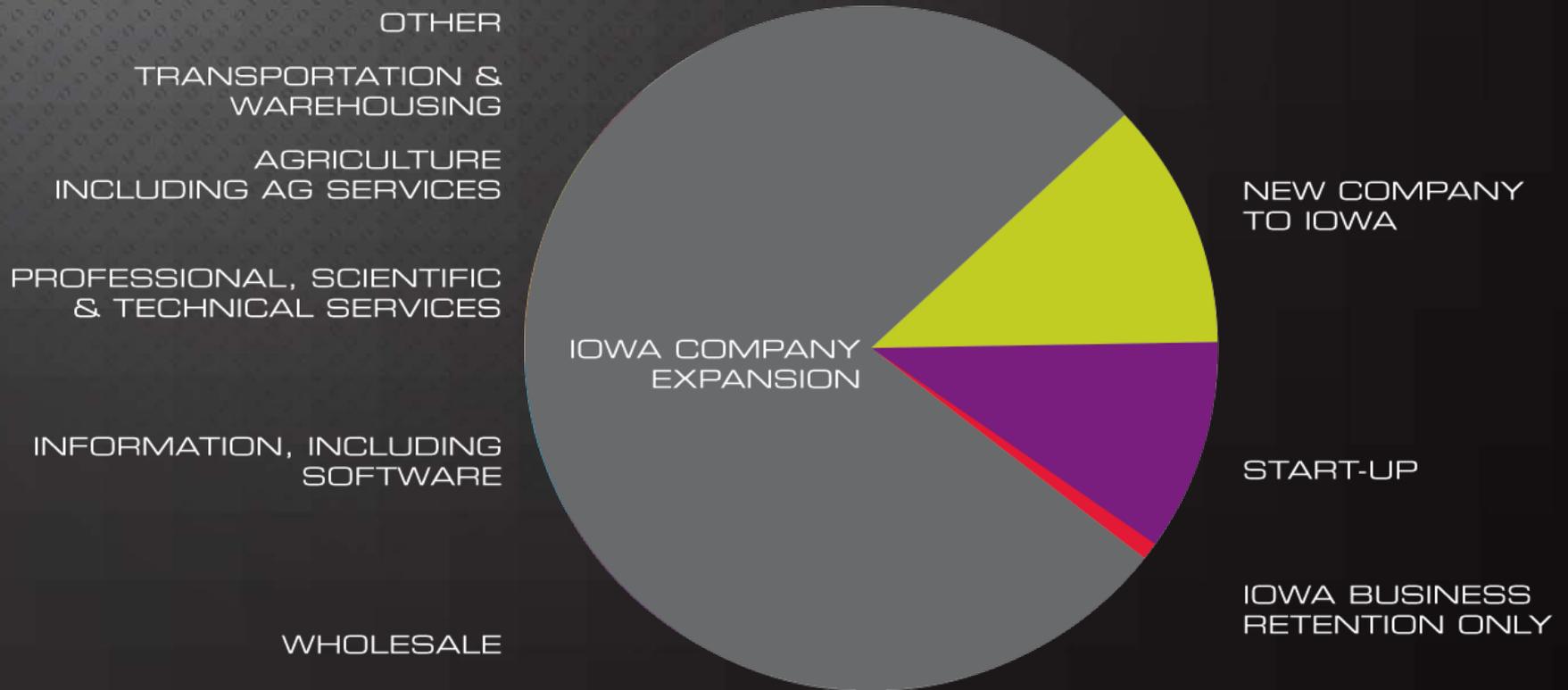
25,967
DIRECT AND INDIRECT
JOBS EXPECTED
IN IOWA ECONOMY

Awarded Projects

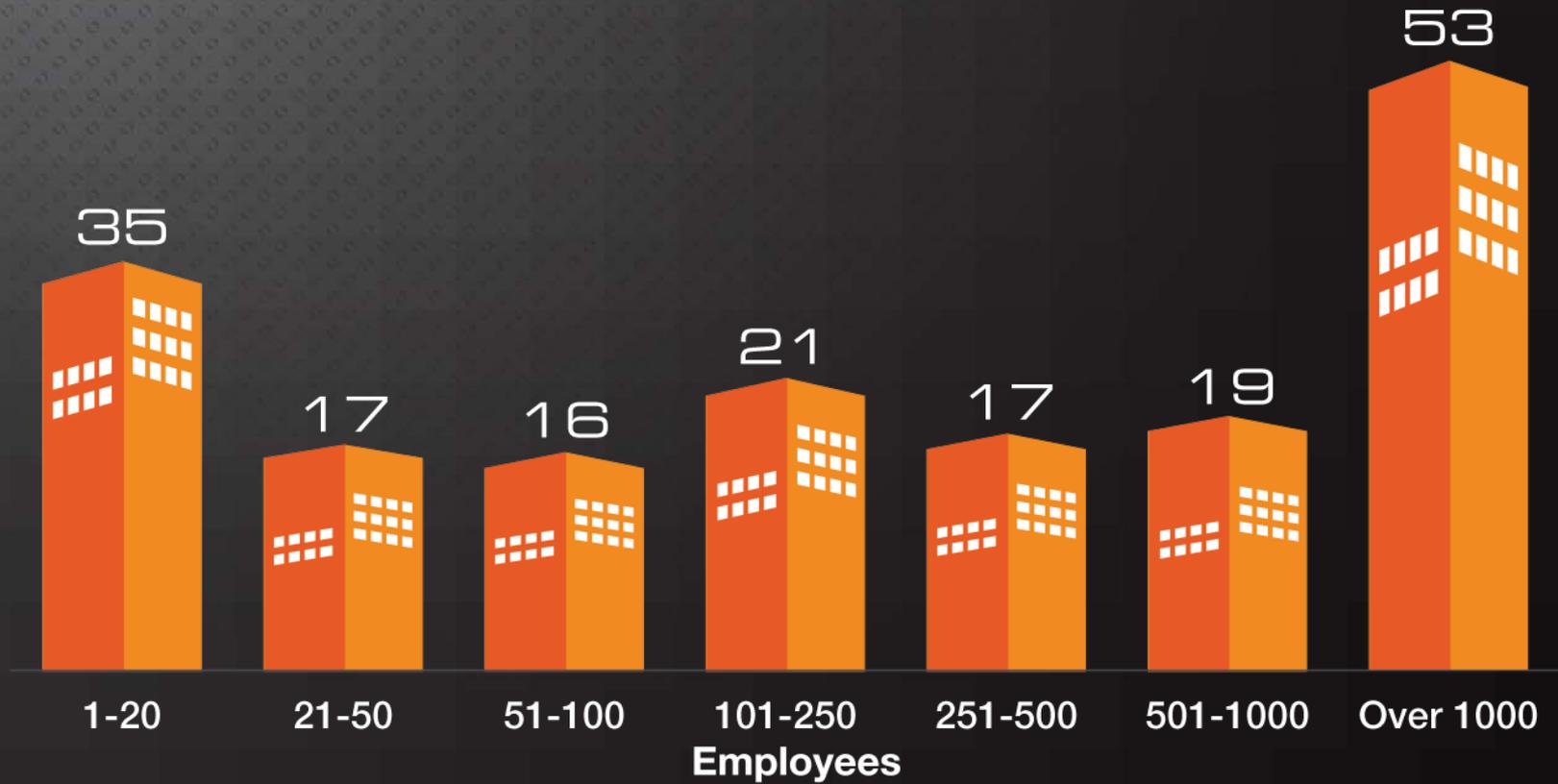


TOTAL IEDA TAX CREDIT AWARDS
\$264,690,879

Project Industry Sectors and Breakdown



Projects Awarded by Company Size



Projects Awarded by Community Size

45



POPULATION
1 - 4,999

47



POPULATION
5,000 - 24,999

53



POPULATION
25,000 - 74,999

36



POPULATION
75,000 +



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